



Memo

To: Board of Trustees
Honorable Mayor Pinkham
Town Administrator Lancaster

From: Steve McFarland – Finance Officer

Date: November 13, 2012

RE: Presentation of *2013 Budget*

The attached 2013 budget document is the result of staff preparations from the early summer – present, public and Board input from the budget sessions of October 5th, 12th, and 19th, and developing events over the past month.

Miscellaneous revisions

Discoveries were made during the review process that involved:

1. Clarification of categories.
2. Updates of 2012 data.
3. Minor miscellaneous changes in content/syntax that were identified have been corrected.

Changes/important items - in accordance with Official and Draft Minutes from October 5th, 12th and 19th Budget Sessions:

Changes to the previously presented 2013 Budget documents include:

1. A newly updated budget with all corrections is provided with this packet.
2. With each update to the 2013 Budget, current data from 2012 is also imported. This sometimes affects forecasted fund balance totals for 2012, and subsequently 2013.
3. The ice rink project has been added at \$75,000; \$50,000 in 2012 in Parks (101-5200-452-24-03), and \$25,000 in 2013, also in Parks (101-5200-452-24-03). There is no corresponding revenue budgeted, although some is expected, we're not sure how much and want to be conservative in our estimates.
4. The crack-seal project of \$80,000 has been added in 2012 in Streets (101-3100-431-35-51).
5. Support for the Estes Area Lodging Association (\$5,000) has been moved from Community Service Grants (101-1900) to Events (222-5500-455-23-02).



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6. A Museum collections curator has been added, and the seasonal position removed, from the Museum (222-5700) in the Community Services Fund. The approximate net cost is \$40,000. The Events department (222-5500) was also revised to reflect a more accurate forecast of end-of-year 2012. This resulted in a downward pressure on existing fund balance. In order to maintain fund balance levels similar to the preliminary budget, the General Fund increased its transfer to the Community Services Fund by \$50,000 in 2012, and \$45,000 in 2013.
7. Increases to health insurance-related costs were estimated at 15% in the preliminary 2013 Budget, and have been reduced to 5% in the current iteration. This positively affects all department/funds with personnel costs.
8. Following the above revisions, the 2013 General Fund fund balance reported at 28%. To reduce the fund balance to 25%, \$346,789 was available to be transferred to the Community Reinvestment Fund (CRF) for deployment as the Board sees fit. The new General Fund budget shows this amount being transferred to the CRF in 2013, thus lowering the General Fund's forecasted fund balance to 25% as of 12/31/13.
9. The Community Reinvestment Fund has the following modifications:
 - a. The \$346,789 transfer from the General Fund is shown in the top (general revenue) section of the CRF. It is not applied to any specific project, and is available for deployment at the Board's discretion.
 - b. The Museum Master Plan has been changed from \$25,000 to \$81,000 and moved from 2012 to 2013.
 - c. The Museum Storage Facility set-aside has been suspended at the \$200,000 level, and is listed below the ending fund balance. The amount is included in the 2013 ending fund balance of \$1,943,954.

Staff remains keenly aware of the ever-increasing challenges presented in an economy with revenues and resources that are outstripped by expenditures and demands. Staff is pleased to present a budget attempting to address, where appropriate, stated Town goals, while continuing to target a 25% fund balance in the General Fund.